

6.0 Reference: Report, Page 13-14, 16-18;

Explanation: Additional information is required for the three options: Tier 1, Tier 2 and No Award.

1.6.0(d) When BC Hydro revised the VI demand forecast, why did BC Hydro not change the CFT?

RESPONSE:

Higher capacity requirements were identified for up to 150 MW more than the BCUC-determined gap as a result of the January 5, 2004 peak experience and because of the 2003 peak load forecast that was filed in December 2003 with the Revenue Requirement application.

BC Hydro considered two options:

- (a) raising the minimum portfolio requirement; and
- (b) considering contingency options that could bridge between 150 and 300MW.

The first option was rejected because it was not in alignment with the BCUC direction. Accordingly, BC Hydro accepted the latter course.